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NSC BRIEFING
Approved For Release 2000/08/30 : CIA-RDP80R01443R000300220002-4

POLICY "FLAP" IN MOSCOW

Stalin's death

I. Numerous signs of major policy "flap" in
~~Moscow~~. in Moscow -

A. Possibly largest call-back of Ambassadors since Stalin's death--Zarubin (US), Malik (UK), (both "candidate members" C.C.) Vinogradov (France), Pushkin (East Germany), several others. Gathering of clan suggests review such matters as:

1. Problem prospective West German rearmament.
2. Commitments to ChiComs in Formosa crisis.
3. Basic Soviet policy on preparedness for war and general allocation Soviet economic resources.

B. Early date (3 Feb) set for convening

1000+ Supreme Soviet (month before normal

Members

schedule). Session will provide sounding-board for:

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1. Publicizing current policy line,

whatever it is.

2. Giving quasi-popular support to new party line, should policy decisions require some retrenchment in consumer-goods benefits.

II. Cut-back on at least some consumer-goods program is likely component of any new policy.

A. Reports for '54 show lag in some key heavy industries (e.g., pig iron, petroleum, rolling-mills) under present (pro-goods) economic policy.

B. Pravda (24 Jan) attacked "rotten" and "anti-scientific" economists who favored development light industry to "detriment" heavy industry. This authoritative declaration sacred nature heavy industry tied specifically to Pravda claim: "reactionary forces continue to arm and nurse plans for a new world war."

this official decision maintain primacy heavy industry, at expense dishpans, bedsteads, etc. (light industry element of consumer-goods program) if necessary. Evidence includes:

- A. Pravda editorials of past month put strong emphasis on importance heavy industry, while Izvestia on occasion still plugged consumer-goods (21 Dec issues both papers showed unprecedented divergence treatment these subjects).
- B. Removal Mikoyan, longtime Politburo member and outspoken proponent of consumer benefits, from Ministry of Internal Trade made allegedly/at own request. Although not in on 26 Jan disgrace (went/to Indian Embassy Party) the timing of announcement suggests he perhaps scapegoat for light industry overemphasis,

preliminary to shift in party line.

C. Restoration of Andreyev to list of 17 top

Soviet leaders (Supreme Soviet election list) could mean that leadership anxious prevent interpretation heavy-light controversy as poke at Malenkov, who first to preach consumer-benefit program (Aug 1953).

1. Andreyev is near-blind "old Bolshevik," former agricultural leader who eclipsed since 1950 criticism for "erroneous" theories. Attack on him apparently led by Khrushchev.

2. His restoration would be counter to Khrushchev, who developing stature as agriculture expert and associated more closely than other leaders with renewed stress on heavy industry (construction speech, 7 Dec, but not released until 28 Dec.)

IV. Too soon to reach hard, fast conclusion from

these bits evidence. Especially difficult to

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to be precise as to:

- A. Degree of strain on "collective" leadership.
- B. Seriousness of Soviet fear that West German rearmament and Formosa crisis may destroy condition "relaxed international tensions" -- which has been Soviet aim and which is basis entire Soviet economic policy of benefiting consumers, levelling-off military expenditures.
- C. Speeches at 3 Feb meeting Supreme Soviet should give many more clues.